71st Annual Review
compiled by
Handy & Harman

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The Silver Market 1986

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Handy & Harman
850 Third Avenue, New York, NY 10022

Highlights of The Silver Market 1986

Silver consumption exceeded silver supplied from mine production and secondary sources by over 20,000,000 ounces during 1986.

Existing stocks were readily available to accommodate this imbalance in the supply-demand equation.

The price of silver declined from $5.73 on January 2, 1986 to $5.36 on December 31, 1986. This represents a 6.5% reduction of price.

The 1986 silver price range was a low of $4.87 and a high of $6.19.

Consumption of silver for industrial uses in the United States increased about 8% during 1986 to an estimated 127,800,000 ounces compared to a revised figure of 118,600,000 ounces in 1985.

All major categories except "Electroplated ware" increased. The largest gains were in "Contacts and conductors" and "Jewelry" categories.

World consumption of silver during 1986 for industrial and coinage uses combined, excluding Communist-dominated areas, increased to an estimated 403,500,000 ounces, a 9% increase over our revised 1985 figure of 369,900,000 ounces.

Industrial consumption was approximately 380,700,000 ounces, up 7% from the previous year. Coinage consumption was 22,800,000 ounces, a substantial increase over the revised 1985 amount of 12,700,000.

World mine production of silver, excluding Communist-dominated areas, amounted to 305,300,000 ounces during 1986, a 2% decrease from our revised 1985 figure of 312,800,000 ounces.

Supplies of silver from secondary sources declined 20% during 1986. The out-flow of silver from old scrap, demonetized coin, and India, provided 77,100,000 ounces of silver to the market during 1986 compared to 96,100,000 ounces during 1985.

The average silver price for 1986 of $5.47 was 11% lower than the comparable amount of $6.14 for 1985.

Barring major unexpected developments, it might appear that one could expect the same kind of market conditions during 1987 as we have experienced for the past few years, despite the fact that industrial consumption of silver will probably exceed that provided by current mine production.

Table of Contents

2 Highlights of the Silver Market for 1986

5 Review of the Silver Market for 1986

6 Silver in the United States

6 The New York Market

8 Price Definition

10 Silver Futures

10 Industrial Consumption

10 Imports and Exports

11 Legislative Developments

12 Review of Other Markets

13 United Kingdom

14 West Germany

15 France

15 Canada

16 Mexico

16 Japan

18 India

18 Summary of World Stocks

20 The Outlook

21 Statistical Tables

Review of The Silver Market for 1986

The price of silver was $5.73 on January 2, 1986, compared to $5.365 on December 31, 1986. This represents a 6.5% reduction of price during 1986 compared to a 5% drop in 1985. The silver price continued to fluctuate during 1986, but on the whole, the market was less chaotic than during the 1979-1984 period. The 1986 silver price range between the low of $4.87 and the high of $6.195 was $1.325. The table on page 26 sets forth a comparative record of high, low, and average silver prices for both the New York and London spot markets for the past ten years. The 1986 average New York silver price was $5.47. This represented an 11% decrease from the 1985 average price of $6.142.

The balance of supply and industrial demand for silver changed substantially in mid-1979 when the price rose to over $8.00 per ounce. During the six year period from 1980 through 1985, silver supplied from new mine production and secondary sources consistently exceeded industrial consumption. This was a reversal of the market conditions which had existed during the previous 25 years when industrial consumers needed silver from Government stockpiles or investor accumulations to satisfy a portion of their needs. During 1986, the market returned to the pre-1979 condition and annual silver consumption exceeded silver supplied from mine production and secondary sources by over 20,000,000 ounces. The following table reflects the net changes in private bullion stocks for the last ten years:

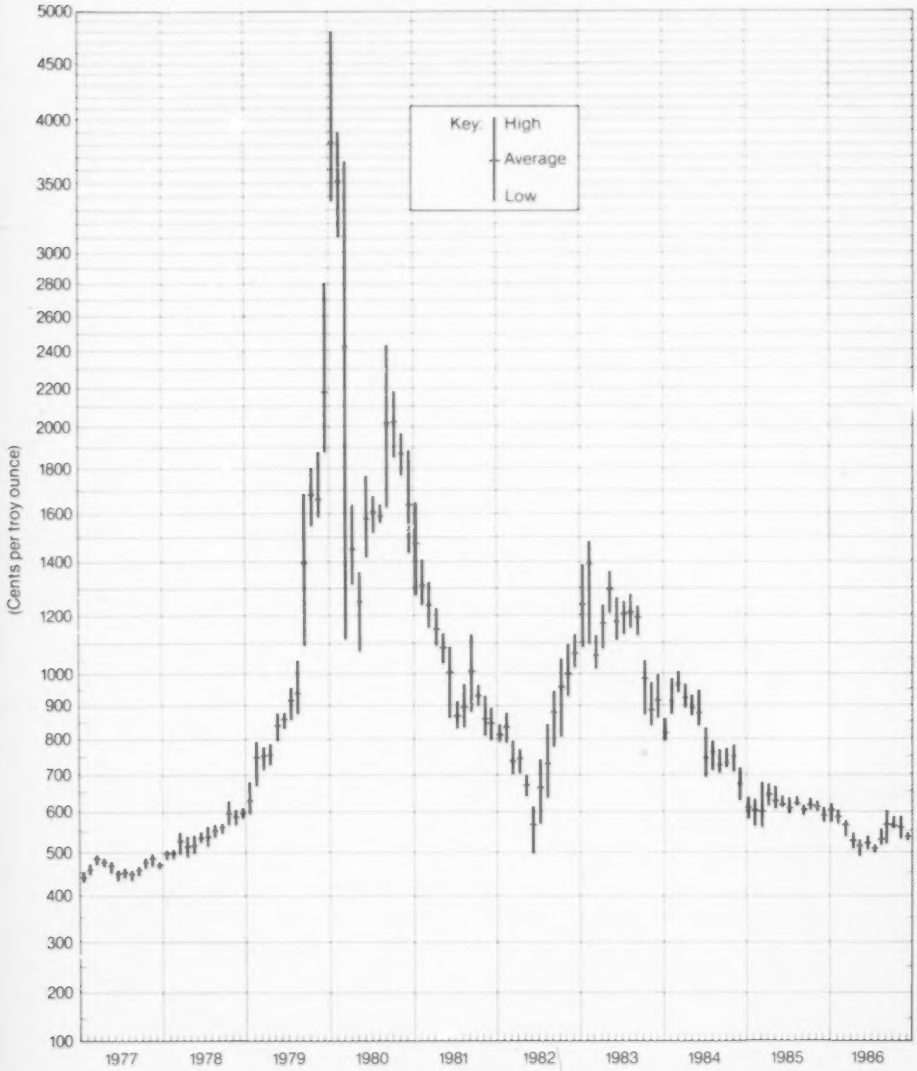
Year	Millions of Ounces	
	Additions to	Liquidations of
1986	—	21.4
1985	51.6	—
1984	42.7	—
1983	75.6	—
1982	59.8	—
1981	80.9	—
1980	118.3	—
1979	—	48.9
1978	—	45.9
1977	—	26.4

Silver in The United States

The New York Market: The most significant trading market for silver in the United States is the New York Commodity Exchange, generally referred to as COMEX. The daily New York silver price for prompt physical delivery as published by Handy & Harman, closely reflects the prices on COMEX for silver futures, because the principal suppliers to commercial users base their daily offers on the then current COMEX quotations. Unless otherwise specified, all references to the New York price refer to the Handy & Harman published price. The average silver price for 1986 of $5.47 was 11% lower than the comparable amount of $6.14 for 1985. The chart on page 7 shows monthly high, low and average prices of spot silver from 1977 through 1986 as published by Handy & Harman. This chart illustrates the volatile nature of the market over the past ten years.

The pattern of the New York silver price during 1986 falls into four major phases. The first phase from January 2, to January 27 was characterized by higher prices. Prices then declined during the second period from January 27 through May 20. Thereafter,

New York Silver Prices Monthly Ranges

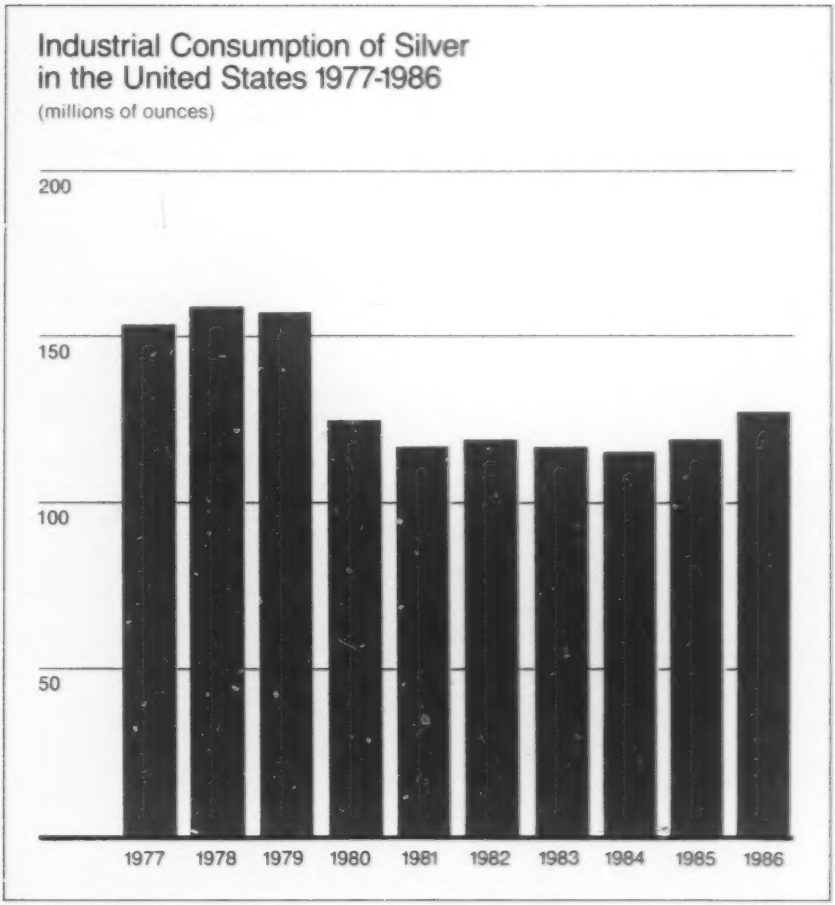


an upward price trend developed which carried the price to $6.00 per ounce on September 22. The final phase was characterized by a steady downward price trend for the balance of the year.

The year opened with the market at $5.73 per troy ounce, and by January 27, 1986, the price had increased to $6.195 which was the high for the year. Analysts attribute this increase to the resurgence of interest in precious metals and the tendency for the silver price to be pulled along to a certain extent with upward movements in the platinum and gold markets. At this point, the market entered its second phase, a period of declining prices. Interest rates continued to decline and speculative activity drove the price of silver down to the low for the year of $4.87 on May 20, 1986. This represented a 21% decline in just four months. This was not only the low for the year, but also the lowest price since February 1978. Resistance developed at that level, and the price recovered to $6.00 by September 22. Thereafter, an erratic downward trend developed for the balance of the year which carried the price to $5.365 on December 31, 1986.

The reason for the volatility in silver prices during 1986 appear to be attributable more to speculator and investor reactions to gold prices, interest rates, and changes in the value of the dollar rather than to periodic shifts in the level of commercial demand. Certainly, increased demand for silver by industrial users, the success of various silver coinage programs, and the closing of uneconomical mines had their influence on the market. However, these fundamental changes would not appear to be conducive to higher prices since ample inventories were readily available to the market.

Price Definition: The price referred to in the above market discussion is the New York Silver Price as published daily by Handy & Harman. The definition of this price is as follows:



"The daily silver quotation reported by Handy & Harman, in cents and tenths of a cent per troy ounce, is the lowest at which offers can be obtained by Handy & Harman for silver in commercial bar form, in accordance with ASTM Designation: B413-69 Specification for Refined Silver, Grade 99.90 for nearby delivery at New York, in quantities sufficient to meet requirements."

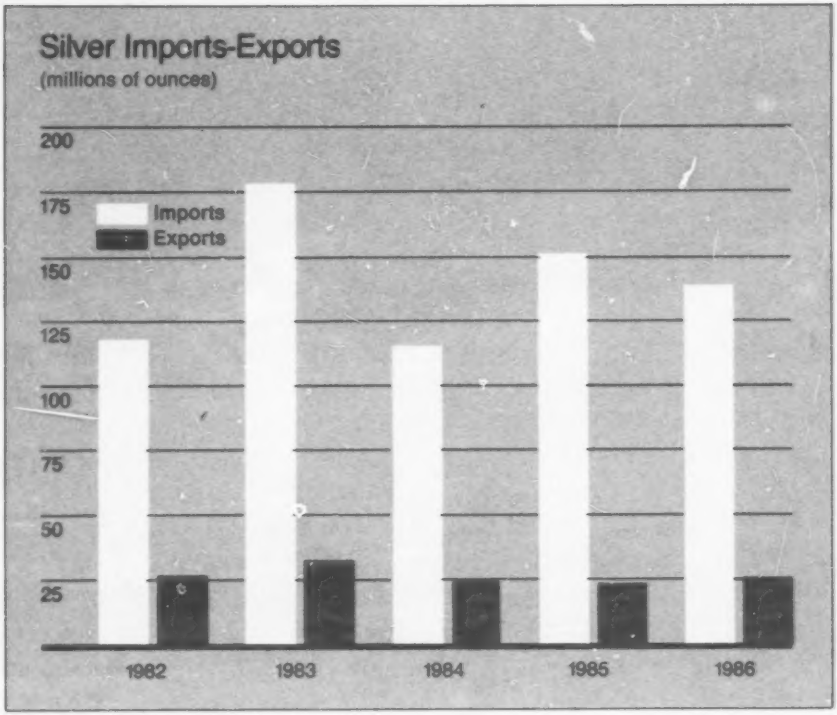
The New York Commodity Exchange designates certain brands of silver which are acceptable as good delivery against contracts on the Exchange, but it does not require conformity to ASTM specifications. It requires only that such silver be no less than 99.9% pure without reference to impurities. The ASTM specification sets maximum limits on impurities, and this is very important for commercial users. Therefore, the price published by Handy & Harman is somewhat different than comparable quotations on COMEX.

Silver Futures: Trading in silver futures on the New York Commodity Exchange declined 20% during 1986. A total of 3,849,687 contracts of 5,000 ounces each were traded, amounting to 19.2 billion ounces of silver compared to 24.1 billion ounces traded in 1985. Open interest at year-end amounted to 89,82[illegible] contracts, up 4% from 86,140 at the beginning of the year. Stocks in COMEX licensed vaults at the end of 1986 amounted to 145,358,000 ounces, a 6% decrease from the 155,342,000 ounces at the end of 1985. Stocks in approved CBT vaults at year-end amounted to 16,709,000 ounces, approximately the same as the 16,686,000 ounces at the end of 1985.

Industrial Consumption: Consumption of silver for industrial uses in the United States increased 7.8% during 1986 to an estimated 127,800,000 ounces, compared to 118,600,000 ounces in 1985. A five-year summary of consumption by end-use appears on page 24 in the statistical tables.

All major categories except "Electroplated ware" increased. The largest gains were in the "Contacts and conductors" category, which showed an increase of 3,200,000 ounces over 1985 and "Jewelry" which increased by 2,000,000 ounces.

Imports and Exports: Total imports of silver into the United States during 1986 amounted to approximately 138,500,000



ounces, a 9% decrease from the previous year's revised total of 152,600,000 ounces. Imports from Canada amounted to 40,800,000 ounces, a decrease of 11% from the previous year. Imports from Mexico of 43,200,000 ounces in 1986 were 4% higher than last year's total of 41,600,000 ounces. Shipments received from Peru amounted to 10,400,000 ounces, a 14% decrease from the previous year's revised total of 12,100,000 ounces. Imports of silver bullion from the United Kingdom decreased significantly; 11,900,000 ounces in 1986 compared to 19,700,000 ounces in 1985. Other significant sources during 1986 were Belgium 9,000,000 ounces, and Chile 7,000,000 ounces. All other countries supplied 16,200,000 ounces in 1986.

Exports during 1986 amounted to an estimated 25,200,000 ounces, a slight increase from the 24,800,000 ounces in 1985. Shipments to Canada during 1986 totaled 2,600,000 ounces; about 4,300,000 ounces were shipped to Japan; 4,000,000 ounces to the United Kingdom; and 14,300,000 ounces to various other countries.

Legislative Developments: The question regarding the sale of the U.S. Strategic Stockpile of 137,500,000 ounces of silver has been under consideration since 1973. The Department of Defense Authorization Act, signed by the President on October 19, 1984, terminated all previous authority to dispose of material in the National Defense Stockpile, effective September 30, 1984. During 1986, a new law was passed which granted authority for silver sales if the defense stockpile is more than 128,000,000 ounces by September 30, 1987. The administration is now authorized under two separate pieces of legislation to dispose of silver in coin form. During 1986, about 4,500,000 ounces of stockpile silver was used for the Liberty coin program. In addition, the Mint has sold about 4,700,000 silver American Eagle bullion coins. The Mint has been using its own stock for the American Eagle coins; however, the Mint will probably replenish its holdings from stockpile silver during 1987. Therefore, it appears that the demand from the coinage programs will be sufficient to reduce the stockpile to targeted levels and direct sales of the stockpile silver to industry are unlikely in the near future.

REVIEW OF OTHER MARKETS

World consumption of silver during 1986 for industrial and coinage uses combined, excluding Communist-dominated areas, increased to an estimated 403,500,000 ounces, a 9% increase over our revised 1985 figure of 369,900,000 ounces. Industrial consumption increased 7% from the previous year to

380,700,000 ounces. The largest increases were recorded in the United States, West Germany, and Japan. Coinage consumption of 22,800,000 ounces increased 80% over the 1985 revised total of 12,[illegible]0,000 ounces.

World mine production of silver, excluding Communist-dominated areas, amounted to 305,300,000 ounces during 1986, a 2% decrease from our revised 1985 figure of 312,800,000 ounces. Mexico, the world's leading producer of silver, increased its output 4% in 1986 to 62,400,000 ounces. Production from Peru was 58,500,000 ounces in 1986, compared to 57,700,000 ounces in 1985. Mine production in the United States decreased 19% to 32,000,000 ounces. Canadian production of 35,400,000 ounces was 7% lower than the 38,000,000 ounces for 1985. Australian mine production amounted to 34,500,000 ounces, a 2% increase over the 1985 quantity of 33,900,000 ounces.

Silver supplied from government sources for coinage programs amounted to 13,500,000 ounces in 1986, compared to 9,400,000 ounces in 1985. Supplies of silver from secondary sources declined 20% during 1986. The outflow of silver from old scrap, demonetized coin, and India amounted to 77,100,000 ounces during 1986, compared to 96,100,000 ounces in 1985. Silver from India was 11,100,000 ounces in 1986, a 47% decrease from the 20,900,000 ounces supplied to the market in 1985. Finally, old scrap and other sources provided 65,000,000 ounces in 1986, compared to 72,200,000 ounces in 1985.

United Kingdom: Consumption of silver for industrial uses in the United Kingdom during 1986 amounted to about 20,500,000 ounces, an 8% increase over the 1985 total of 19,000,000 ounces. There was no silver used for coinage during 1986 or the previous year. The volume of silver recovered from old scrap was about 10,500,000 ounces in 1986, compared to 10,000,000 ounces in 1985.

Imports of silver bullion are estimated at 50,700,000 ounces for the year, an increase of 61% from the revised total of 31,500,000 ounces in 1985. During 1986, the United States supplied approximately 4,000,000 ounces, an increase over the previous year's amount of 1,600,000 ounces. Other sources were West Germany, 1,000,000 ounces; Australia, 4,200,000 ounces; France, 7,400,000 ounces; East Germany, 14,200,000 ounces; and other countries, 19,900,000 ounces.

Exports of silver for 1986 amounted to 64,900,000 ounces. This represents an increase of approximately 132% from the revised 1985 level of 28,000,000 ounces. During 1986, the United States received approximately 11,900,000 ounces. Switzerland received 17,900,000 ounces; China, 17,300,000 ounces; West Germany, 9,200,000 ounces; all other countries totaled 8,600,000 ounces.

The daily quotation for prompt delivery issued by the London Silver Market ranged from a high of 452.10 pence, reached on January 27, to a low of 317.70 pence, established on May 20, 1986. In dollar terms, the high was $6.31 on January 16 and the low was $4.85 on May 20, 1986. These prices were based on sterling exchange rates in effect at the time.

West Germany: Industrial consumption of silver in West Germany during 1986 amounted to 36,900,000 ounces, according to our estimates. This represents a 16% increase over our revised 1985 amount of 31,700,000 ounces. There was no silver used for coinage during 1986, or the previous year. Domestic mine production for 1986 amounted to 1,300,000 ounces, approximately the same as the previous year, and smelter production from foreign ores amounted to 19,100,000 ounces, a 4,200,000 ounces increase over 1985. Silver recovered from old scrap was approximately 3,200,000 ounces in 1986.

Imports, including foreign ores, in both refined and unrefined forms, totaled nearly 55,300,000 ounces. Approximately

4,500,000 ounces came from Sweden; 1,400,000 ounces from France; 9,200,000 ounces from the United Kingdom; and the balance of 40,200,000 ounces from various other countries.

Exports amounted to an estimated 19,700,000 ounces of which 1,000,000 ounces were shipped to the United Kingdom; 1,300,000 ounces to Switzerland, and 1,100,000 ounces to France. Other principal countries of destination were Italy, Austria, Sweden, and the Netherlands.

France: Consumption of silver for industrial uses in France during 1986 amounted to about 16,400,000 ounces, approximately 9% lower than the previous year. There was no silver used for coinage in 1986 or 1985. Primary production amounted to 7,700,000 ounces, an increase of 1,300,000 ounces over 1985. Silver produced from old scrap amounted to 4,000,000 ounces in 1986, compared to 5,100,000 ounces in 1985. Government stocks of about 2,900,000 ounces were virtually unchanged from the previous year.

Imports of silver into France during 1986 were about 18,300,000 ounces, an increase of approximately 3,900,000 ounces from our revised 1985 amount. The principal countries from which silver arrived were United Kingdom, 7,400,000 ounces; West Germany, 1,400,000 ounces; Mexico, 1,000,000 ounces; and 8,500,000 ounces from various other countries.

Exports totaling 18,000,000 ounces were 1,500,000 ounces higher than the previous year. The principal countries to which silver was exported were the United States, 4,100,000 ounces; United Kingdom, 1,900,000; Germany, 1,100,000 ounces; Switzerland, 5,500,000 ounces; and various other countries, the balance of 5,400,000 ounces.

Canada: Production of silver in Canada during 1986 amounted to 35,400,000 ounces, a decrease of 7% from 38,000,000 ounces in

1985. Canada continues to be one of the largest producing nations in the non-Communist world. Silver consumed for industrial uses amounted to an estimated 9,600,000 ounces, a 6% increase over the previous year. Coinage consumption was 2,000,000 ounces in 1986. The Mint has an Olympic Coin program, which is forecast to use 5,000,000 ounces during the 1985-1988 period.

Imports of silver into Canada during 1986 were 6,300,000 ounces, of which 2,600,000 ounces came from the United States.

Exports for 1986 are estimated at 47,000,000 ounces, approximately the same as the previous year. The United States received 40,800,000 ounces in 1986, and various other countries the balance of 6,200,000 ounces.

Mexico: Mexico continues to be the world's leading producer of silver. Silver production during 1986 was 62,400,000 ounces, an increase of 4% from our revised figure of 59,800,000 ounces for 1985. Industrial consumption in Mexico amounted to about 4,900,000 ounces, a decrease of 4% from the 1985 level of 5,100,000 ounces. During 1986, Mexico minted 1,700,000 ounces of silver coins. Government stocks at year-end amounted to approximately 32,100,000 ounces, an increase of 2,100,000 ounces during the year.

Mexico exported 52,800,000 ounces of silver during 1986. Approximately 43,200,000 ounces were shipped to the United States. Japan received 7,600,000 ounces, and the balance of 2,000,000 ounces were shipped to Europe.

Japan: We estimate that industrial consumption in Japan was about 79,400,000 ounces during 1986, which represents a 5% increase from our revised 75,300,000 ounces used in 1985. In the following table we have broken down our estimates of major categories of use for 1986 and 1985:

	1986		1985	
	Ounces (millions)	% of Total	Ounces (millions)	% of Total
Photography	44.1	55.5	42.2	56.0
Nitrates	7.5	9.4	6.8	9.0
Contacts	6.9	8.7	7.5	10.0
Solder & Brazing	3.8	4.8	3.7	4.9
Plating	3.2	4.0	3.2	4.2
Tube, Sheet, Bar & Wire	3.8	4.8	3.6	4.8
Silverware	1.7	2.1	1.4	1.9
Other	8.4	10.7	6.9	9.2
Total	79.4	100.0	75.3	100.0

Domestic mines in Japan produced 10,800,000 ounces of silver in 1986, compared to 10,400,000 ounces in 1985. In addition, 15,400,000 ounces of silver were recovered from old scrap during 1986, a 1,100,000 ounce increase from the 1985 amount. Industry stocks are estimated to be 22,900,000 ounces at December 31, 1986, a decrease of 6,700,000 ounces during the year.

Imports for the year, in refined and unrefined forms, are estimated at 43,300,000 ounces, a decrease of 3% from the revised total of 44,600,000 ounces in 1985. The largest amount came from overseas mines which accounted for 28,200,000 ounces in 1986, up 2,600,000 ounces over the 1985 total. Other sources were Mexico, 7,600,000 ounces; United States, 4,300,000 ounces; and the balance of 3,200,000 ounces from all other countries.

Exports of silver during 1986 amounted to only 700,000 ounces, a decrease of 900,000 ounces from the 1985 shipments.

The Ministry of Finance bought 3,600,000 ounces of silver in 1986 to mint silver coins in celebration of the 60th anniversary of the Emperor. Government stocks are estimated to be nearly 2,000,000 ounces at the end of 1986, which is about the same as the amount held at the close of the previous year.

India: Silver is not produced in India and whatever silver is exported or used by industry comes out of stocks which were accumulated through the centuries. Consumption of silver for industrial purposes in India amounted to 16,100,000 ounces in 1986, a decrease of 23% from the 20,900,000 ounces used the previous year. Investment demand was 6,400,000 ounces in 1986, compared to 4,800,000 ounces in 1985. For many years substantial quantities of silver have been exported, but progressively since 1983, the supply has been lower. This can be attributed to better living conditions as well as lower prices of silver in relation to gold. No exports of silver were reported for 1986 or 1985. It is estimated that 4,800,000 ounces of silver was imported in 1986. It is not possible to verify the internal hoards of silver in India, but by all reports they are enormous and will continue to be an important factor to the silver market in the future.

Government stocks are reported to be 67,500,000 ounces at the end of 1986, which reflects no change during the year.

SUMMARY OF WORLD STOCKS

A study, prepared by Economic Consulting Services, Inc., for the Bureau of Mines, stated that U.S. silver holdings of silverware, coins and bullion probably exceed 2.5 billion ounces. It is believed that while all of this material could be a potential supply source, factors such as price and form will determine the rate at which this material will be available to the market. Silver held in coins has proven to be highly price-elastic, but the elasticity of the balance of this supply is considered to be quite low.

The table on page 19 summarizes on a world-wide basis, excluding India and Communist countries, reported and unreported stocks of silver both in bullion and coin. In some cases, figures are available from published reports, both governmental and private. In the case of "Stocks of foreign governments", only

partial information is available. "Conjectural stocks" were determined by reference to the Bureau of Mines study referred to above and information obtained from private sources.

It is estimated that world stocks of silver total approximately 2,267,900,000 ounces at December 31, 1986, a decrease of 19,400,000 ounces during the year. Reported private stocks decreased 39,300,000 ounces; conjectural stocks, principally unreported bullion in the United States and abroad, increased 19,400,000 ounces; and government stocks increased 500,000 ounces.

World Stocks of Silver

(Excluding India and Communist dominated areas.)

(millions of ounces)

	1986	1985	Increase (Decrease)
Reported private stocks:			
New York Commodity Exchange	145.4	155.3	(9.9)
Chicago Board of Trade	16.7	17.8	(1.1)
London Metal Exchange	23.1	50.1	(27.0)
Industry stocks in U.S.	15.8(a)	17.1(a)	(1.3)
Total	201.0	240.3	(39.3)
U.S. Government stocks:			
U.S. Strategic Stockpile	133.0	137.5	(4.5)
U.S. Treasury (Mint)	35.6(a)	32.6	3.0
Total	168.6	170.1	(1.5)
Stocks of foreign governments: (estimated)	157.0	155.0	2.0
Conjectural stocks:			
Unreported bullion stocks in the U.S. and abroad	857.3	843.8	13.5
U.S. Silver coins potentially available	851.0	848.0	3.0
Foreign silver coins potentially available	33.0	30.1	2.9
Total	1,741.3	1,721.9	19.4
Total World Silver Stocks	2,267.9	2,287.3	(19.4)

(a) As of September 30, 1986.

THE OUTLOOK:

For many years, the flow of silver into world markets from India, demonetized coin and old scrap, has been an important part of the supply equation. A portion of this flow appears to react to price changes, diminishing when prices decline and increasing when they rise. Large supplies of secondary silver have been absorbed in past years and such supplies will continue to be needed in the future to meet industrial and investor demand. New mine production accounts for only a portion of the silver used each year, and the market must draw on secondary sources to fill the balance of its requirements. Silver supplied from these sources declined to 77,100,000 ounces during 1986, which represents the lowest output since 1970. In addition, the closing of the two largest silver mines in the United States will reduce primary silver production by 8,000,000 ounces per year.

Industrial consumption of silver has increased steadily since 1980, although it is still 14% below the 1978 level of 442,000,000 ounces. During 1985, 12,700,000 ounces of silver was used by 70 different countries to produce silver coins. In 1986 this amount increased to 22,800,000 ounces, principally reflecting the sales of the Statue of Liberty and the American Eagle coins. In addition, during recent years Communist countries have steadily become net importers of silver. We estimate that 70,000,000 ounces of silver was exported to China and East Germany during the last five years.

In summary, the factors mentioned above have failed to create any shortage or even a tight supply of silver. It appears that existing stocks can readily accommodate any changes in the supply-demand equation and barring major unexpected developments it might appear that one could expect the same kind of market conditions during 1987 as we have experienced for the past few years, despite the fact that industrial consumption of silver will probably exceed that provided by current mine production.

STATISTICAL TABLES

World Silver Consumption

(Excluding Communist-dominated areas.)
(millions of ounces)

	1986	1985	1984	1983	1982
Industrial uses:					
United States	127.8	118.6	114.8	116.3	118.8
Canada	9.6	9.1	9.0	8.9	9.0
Mexico	4.9	5.1	3.5	2.2	3.6
United Kingdom	20.5	19.0	19.0	18.0	20.0
France	16.4	18.0	17.0	18.6	18.6
West Germany	36.9	31.7	30.1	30.3	35.9
Italy	9.6	4.6	11.6	9.0	9.6
Japan	79.4	75.3	78.7	71.5	63.2
India	16.1	20.9	16.1	12.9	16.1
Belgium	18.5	16.0	15.8	16.0	15.1
Other countries	41.0	38.9	37.7	37.0	35.5
Total industrial uses	380.7	357.2	353.3	340.7	345.4
Coinage:					
United States	9.5(a)	4.4(a)	3.4(a)	11.2(a)	2.5(a)
Canada	2.0	.3	.3	.4	.3
Austria	1.0	—	—	2.0	4.0
Mexico	1.7	3.0	2.0	—	—
Other countries	8.6	5.0	3.0	6.0	6.0
Total coinage	22.8	12.7	8.7	19.6	12.8
Total Consumption	403.5	369.9	362.0	360.3	358.2

NOTE: Figures for 1986 are preliminary. Some of the figures for 1982 through 1985 as published in last year's Review have been revised.

(a) Includes silver used in minting the George Washington Commemorative Coin, the Olympic Coin, the American Eagle coin and Statue of Liberty coin.

World Silver Supplies

(Excluding Communist-dominated areas.)
(millions of ounces)

	1986	1985	1984	1983	1982
New Production					
Western Hemisphere:					
United States	32.0	39.4	44.4	43.4	40.2
Canada	35.4	38.0	37.6	35.5	42.2
Mexico	62.4	59.8	63.9	63.6	59.1
Peru	58.5	57.7	56.5	55.9	53.6
Other countries	29.0	30.0	29.8	29.7	27.1
Total	217.3	224.9	232.2	228.1	222.2
Outside the Western Hemisphere:					
Australia	34.5	33.9	32.0	33.8	29.2
Other countries	53.5	54.0	53.2	52.8	53.5
Total	88.0	87.9	85.2	86.6	82.7
Total New Production	305.3	312.8	317.4	314.7	304.9
Secondary Sources of Supply					
From U.S. Government	9.5	4.4	3.0	11.8	3.1
From stocks of foreign governments	4.0	5.0	2.0	3.0	8.0
From demonetized coin	1.0	3.0	4.0	8.0	13.0
From Indian stocks	11.1	20.9	22.5	32.2	29.0
Net imports (or exports) to Communist Countries	(14.0)	3.2	(19.3)	(19.3)	(21.0)
Old scrap and other misc. sources	65.0	72.2	75.1	84.1	81.0
Liquidation of (additions to) private bullion stocks	21.4	(51.6)	(42.7)	(75.6)	(59.8)
Total other supplies	98.0	57.1	44.6	44.2	53.3
Available for world consumption	403.3	369.9	362.0	358.9	358.2

NOTE: Figures for 1986 are preliminary. Some of the figures for 1982 through 1985 as published in last year's Review have been revised.

United States Industrial Consumption of Silver by End Use

(millions of ounces)

	1986	1985	1984	1983	1982
Electroplated ware	3.0	3.7	3.5	3.2	3.2
Sterling ware	4.1	3.5	3.6	7.0	6.6
Jewelry	7.8	5.8	5.8	6.9	6.3
Photographic materials	58.1	57.9	55.3	51.8	51.8
Dental and medical supplies	1.6	1.5	1.5	1.5	1.7
Mirrors	1.0	1.0	1.0	1.0	1.0
Brazing alloys and solders	6.4	5.6	5.9	5.8	7.4
Electrical and electronic products:					
Batteries	3.7	2.5	2.7	2.6	4.2
Contacts and conductors	30.7	27.5	25.6	26.3	27.7
Bearings	.3	.2	.3	.2	.2
Catalysts	2.4	2.4	2.4	2.4	2.4
Coins, medallions and commemorative objects	4.2	2.5	2.6	3.0	1.8
Miscellaneous	4.5	4.5	4.6	4.6	4.5
Total Industrial Consumption	127.8	118.6	114.8	116.3	118.8

NOTE: Based on data from Mineral Industry Surveys for gold and silver published by Bureau of Mines, United States Department of the Interior.

Imports of Silver into the United States

(millions of ounces)

	1986	1985	1984	1983	1982
Imported from:					
Canada	40.8	45.9	36.7	35.9	37.4
Mexico	43.2	41.6	40.3	30.3	26.4
Peru	10.4	12.1	23.2	23.9	18.3
Other Western Hemisphere Countries	12.6	9.5	10.1	4.3	7.6
Total Western Hemisphere	107.0	109.1	110.3	94.4	89.7
United Kingdom	11.9	19.7	.8	62.6	12.4
All Other Countries	19.6	23.8	3.9	22.9	15.3
Total Imports	138.5	152.6	115.0	179.9	117.4

NOTE: Figures for 1986 are preliminary. Some of the figures for 1982 through 1985 as published in last year's Review have been revised.

Exports of Silver from the United States

(millions of ounces)

	1986	1985	1984	1983	1982
Exported to:					
Canada	2.6	8.7	8.6	9.2	9.4
United Kingdom	4.0	1.6	2.2	10.2	7.4
Japan	4.3	3.8	4.4	4.5	4.4
West Germany	2.3	.5	1.3	2.7	2.3
All Other Countries	12.0	10.2	7.9	5.4	1.9
Total Exports	25.2	24.8	24.4	32.0	25.4

NOTE: Figures for 1986 are preliminary. Some of the figures for 1982 through 1985 as published in last year's Review have been revised.

Silver Quotations

	NEW YORK (Handy & Harman)			LONDON (Daily Fixing)		
	High	Low	Average	High	Low	Average
1986...	619.500¢	487.000¢	546.995¢	452.100p	317.700p	373.030p
1985...	673.500	557.000	614.218	576.900	401.100	477.560
1984...	1003.500	626.000	814.066	679.700	529.100	607.056
1983...	1474.500	834.000	1144.128	948.650	560.250	753.437
1982...	1121.000	488.500	794.728	685.150	285.100	455.258
1981...	1645.000	795.000	1051.837	671.200	412.800	515.234
1980...	4800.000	1080.000	2063.157	2165.050	467.800	900.662
1979...	2800.000	596.100	1109.378	1446.850	296.400	508.561
1978...	629.600	482.900	540.089	311.200	250.000	282.203
1977...	496.000	430.000	462.302	289.700	246.900	265.538

Handy & Harman

850 Third Avenue New York, NY 10022

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